



YAC SEPTA AFFAIRS MEMO

YAC Statement on Key 2.0 Project

The Youth Advisory Council celebrates SEPTA's commitment to its new Key 2.0 fare payment system; however, we strongly encourage SEPTA to exercise caution with its chosen vendor, Cubic. The shift towards complete open-loop payment has come at the expense of native transit card capability for many agencies that have gone with this contractor. To achieve rider-oriented fare discounts and passes like UPass and to better serve regular riders, the YAC encourages SEPTA to preserve and enhance closed-loop, agency-controlled fare card functionality while still maintaining open-loop compatibility.

The shift to EMV, a technology not designed for transit fare payment, has largely been driven by the chosen contractor for Key 2.0, Cubic. This comes at the expense of features regular transit riders like to see, including commuter benefits, loyalty perks, mobile options, quick scan times, and a legible fare system.

- Commuter Benefits
 - Cubic's new-gen fare system, like OMNY, is largely void of commuter options beyond fare capping. The YAC believes such a transition would endanger the presence of UPass and Key Advantage.
 - Maintaining a strong, non-EMV, closed-loop option would allow SEPTA to prioritize and build its various pass programs and work towards making these programs more enticing, valuable, and defining SEPTA's payment model as the quintessential North American payment system.
- Loyalty Perks

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- SEPTA has the most potential out of any transit agency to develop its own brand. With a transit store that has quickly selling merchandise, a perks program, and a strong city identity, SEPTA is in a great position to offer a loyalty rewards program to engage riders.
- With a closed-loop fare card, SEPTA has the opportunity to offer loyalty perks tied to ridership and the amount spent. This is best practice for any modern transportation offering. Airlines today are loss leaders for their loyalty programs, SEPTA should participate in this lucrative industry.
- Perks will make the YAC argument for UPass stronger at colleges and universities.
- Imagine businesses in the concourse having a SEPTA Key reader where customers can earn points, sports game ticket raffles for frequent riders, free trips with bulk purchases, or even SEPTA earning money off the float stored on closed-loop Key cards.
- Mobile options
 - To date, no Cubic system has the full suite of mobile fare payment options. While open-loop/Apple Pay/Google Pay is important, SEPTA needs to have an equally enticing proprietary mobile offering. Promoting SEPTA Key Card also reduces fees paid out to EMV and other out-of-house services.
 - Key 2.0 should offer
 - A mobile wallet version of the Key card.
 - Express transit payment for said Key card.
 - Express transit payment for credit cards.
 - The new generation of PRESTO in Toronto, by Accenture, offers this.
- Speed
 - Cubic rollouts have been phased over many years and plagued with issues. Agencies like Auckland Transport have terminated their Cubic contracts altogether.
 - Cubic's new EMV-based fare payment is the slowest out of any tap technology. EMV is not a protocol designed for transit fare payment. Slower tapping speeds will further

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delay our buses, reduce the productivity of our conductors, and cause congestion at fare gates.

- Legible Fare System
 - SEPTA's current fare system promotes modal segregation, and trying to offer more Transit-Regional Rail integration has only caused greater confusion.
 - To date, SEPTA lists 12 different pass options on their websites, most with convoluted names.
 - The first two listed, TransPass+ and Zone 1 TrailPass, are completely identical with different labels!
 - The YAC encourages SEPTA to streamline its fare offerings and make Zones 1 and 2 trips the same price as a transit fare.
 - SEPTA Key 2.0 should introduce tap-on and tap-off to all faregates across the system.

There is a lot of money to be made in this business, and we are encouraging SEPTA not to give up its stake in transit fare payment. With the many funding crises over the years, it is paramount for SEPTA to diversify its revenue sources whenever possible. The SEPTA Key 2.0 project is the perfect opportunity to restructure SEPTA's fare payment in a way that is not just a technology upgrade, but expanding the boundaries of what fare cards can do. A thoughtful balance of open- and closed-loop systems can preserve the integrity of fare programs, expand access, and improve the overall passenger experience. The Youth Advisory Council urges SEPTA to remain in the driver's seat of its fare policy, prioritize equitable rider outcomes, and treat fare payment not as a cost center, but as a strategic advantage in building the next generation of public transit in Philadelphia. The YAC would like to become a stakeholder in this project and be involved with the creation of Key 2.0.

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